

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of:)	
)	
Lockheed Martin IMS Corporation)	CC Docket No. 92-237
)	NSD File No. 98-151
Request for Expeditious Review of the)	
Transfer of the Lockheed Martin)	
Communications Industry Services Business)	
to Warburg, Pincus & Co.)	

COMMENTS OF AT&T CORP.

AT&T Corp. ("AT&T") hereby submits its comments on the Request of Lockheed Martin IMS Corporation ("Lockheed Martin") for Expeditious Review of the Transfer of Lockheed Martin Communications Industry Services ("CIS") Business to Warburg, Pincus & Co. ("Warburg").¹⁷ If its request is granted, Lockheed Martin will transfer both its North American Numbering Plan Administrator ("NANPA") and Local Number Portability Administrator ("LNPA") functions to CIS Acquisition Corporation ("CISAC"), a subsidiary of Warburg Pincus Equity Partners, L.P. While AT&T does not object at this time to the proposed transfer, it does believe that the Commission should ensure that unresolved issues concerning the neutrality of CISAC and its ability to fulfill its duties as the NANPA and LNPA are settled before the transaction is consummated.

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¹⁷ See Public Notice, FCC Seeks Comment on Request for Expeditious Review of the Transfer of the Lockheed Martin Communications Industry Services Business, CC Docket No. 92-237, NSD File No. 98-151, DA 99-347 (rel. Feb. 17, 1999).

Lockheed Martin assumed its NANPA functions in February 1998.^{2/} Numerous parties devoted years of preparation and work to ensuring that Lockheed Martin was the most qualified entity to fulfill this role in terms of neutrality and financial resources. Now, just one year later, before it has fully settled into the position,^{3/} Lockheed Martin has determined that it must divest itself of its CIS business and has asked for expedited review of a transfer to CISAC.

AT&T is concerned that CISAC's qualifications require a more in-depth analysis than that proposed by Lockheed Martin and CISAC. The proper administration of numbering resources is a critical issue for all carriers in the United States – for some, the most critical issue to their businesses today – and, given the extreme disruption caused by a transfer of the NANPA and LNPA functions, it makes no sense to undertake this task lightly. While AT&T is sympathetic to Lockheed Martin's desire to proceed with its business plans, AT&T believes that the Commission should provide the industry, especially the seven regional limited liability companies (the "LLCs") that were directed by the Commission to hire and oversee the LNPA, time to resolve their concerns before the transfer is granted.^{4/}

In particular, in light of CISAC's relationship to Warburg, a self-styled broad-based financial investor, it remains unclear whether CISAC meets the neutrality criteria set forth in the

^{2/} Id. at 3 (the Commission required Bellcore, the previous NANPA, to transition the numbering functions to Lockheed Martin within 90 days after the selection of Lockheed Martin as the new NANPA).

^{3/} Id. (Lockheed Martin will not assume central office code administration functions from all 11 regional CO code administrators until June 1999.)

^{4/} AT&T is a member of all seven LLCs and has been involved in numerous discussions with the other LLC members regarding both the LNPA and NANPA concerns raised by the proposed transaction.

Requirements Document, the Communications Act, and the Commission's rules and orders.^{5/}

Through affiliates, Warburg currently has investments in various telecommunications entities and it is possible that Warburg will invest more of its portfolio in the telecommunications industry over time. The LLCs are evaluating whether the safeguards proposed by Warburg and Lockheed Martin in the Code of Conduct are sufficient to ensure that CISAC is currently neutral and maintains its neutrality during the course of its tenure as the numbering and number portability administrators. Further discussions among the LLCs, Lockheed Martin, and Warburg, and potentially the development of additional safeguards, are necessary before a grant of the transfer is warranted.

It also is not yet clear whether CISAC will have adequate financial support and the appropriate operational resources to fulfill its duties as the NANPA and the LNPA. Lockheed Martin and Warburg have not disclosed whether CISAC will be able to draw on resources other than the revenues it generates from its number administration functions, which revenues will not necessarily be sufficient to ensure that it can perform its contractual duties. Warburg has made no commitment to infuse capital into CISAC to ensure that its contracts are fully satisfied.

CONCLUSION

As the Commission is well aware, number and portability administration are vital to the health of the telecommunications industry. It took years to vet the various candidates for the NANPA and LNPA positions and to select Lockheed Martin as the most qualified. Now, just as it begins to settle into its role, Lockheed Martin has asked for expedited consideration of its

^{5/} See 47 U.S.C. § 251(e)(1) (mandating that the FCC "create or designate one or more impartial entities to administer telecommunications numbering and to make such numbers available on an equitable basis"); NANC Administration Requirements Document (Feb. 20, 1997); 47 C.F.R. § 52.12.

request to relinquish its duties under the contracts. Because the process of transferring the administration functions is so disruptive to the industry and regulators, AT&T believes that the selection process should be made with all due care. The Commission and the industry should not be required to face this same situation a year from now because of a poor choice made today. Accordingly, AT&T asks the Commission to encourage Lockheed Martin and Warburg to cooperate fully with the LLCs and other industry representatives as they attempt, as expeditiously as possible, to resolve their concerns about CISAC's neutrality and financial ability to perform the NANPA and LNPA functions.

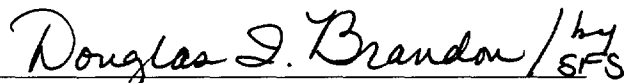
Respectfully submitted,

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CERTIFICATE OF SERVICE

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